

SCWA MANAGEMENT AGREEMENT Q&A's - 3-30-2026

1. WHAT IS THE CURRENT STATUS/MAKEUP OF THE VILLAGE WATER SYSTEM?

a. Two Wells

- Well #1 Drilled in 1964
 - Pump and Shaft Replaced in 2024
- Well #2 Drilled in 1984
 - Pump Replaced in early 2000s
- Both Wells reach 425 feet into the Magothy Aquifer

b. Water Mains

- Approximately 5 miles of public water mains
- Except for Broadway, Lighthouse Prom, and Parts of Bay Prom, all water mains are Transite (Cement/Asbestos) installed in the 1960s.

c. Annual Pumpage

- 27,000,000 gallons.
- 8% Assumed lost to leakage – hard to pinpoint without individual water meters.

2. WHAT AND WHO IS THE SUFFOLK COUNTY WATER AUTHORITY?

a. In their own words: <https://www.scwa.com/about-scwa/>

b. The SCWA is a public benefit corporation created by statute. They are created to provide specific services and have their management and financial independence to handle specific, often regional, public needs. SCWA is a Suffolk County authority. As such, it is regulated by New York State's [Authorities Budget Office \(ABO\)](#) of New York State, which monitors compliance with the Public Authorities Reform Act of 2009. It is also subject to oversight by the [Office of the State Comptroller \(OSC\)](#) for audits and financial reporting, and is accountable to Suffolk County government officials who appoint its board of directors. More information about their governance documents can be found at: <https://www.scwa.com/about-scwa/public-information/public-authority-information/>.

c. You can view a copy of their 2025 public presentation to the residents of the Village of Saltaire at: <https://www.saltire.org/scwa.mp4>.

3. WHAT ARE THE AGREEMENT BASICS BETWEEN THE VOS AND SCWA?

- a. The Village and SCWA would enter into a 40 Year Agreement.
- b. The Village retains the ownership of all of the Water Equipment and Mains and the Land under them for the duration of the Lease.
- c. SCWA Leases in an “as is” condition all of the Water Equipment, Mains and Plant (Including Buildings) for the duration of the agreement.
- d. The Village Can Opt-Out Anytime and the SCWA cannot Opt-Out for any reason except a Village breach of the Agreement.

4. WHAT IS THE ANNUAL OBLIGATIONS AND RIGHTS OF THE SCWA UNDER THE AGREEMENT?

- a. SCWA obligation begins upon the effective execution of the agreement.
- b. SCWA is solely responsible to pay for all Operating Costs of the system, which are all labor and material costs to operate, maintain, and repair the Saltaire Water System **as necessary to assure that all existing and future water services are delivered potable water meeting all of the required federal, state and district standards for the duration of the lease.**
- c. The SCWA will be responsible for all service calls after the effective date of the agreement, and have service personnel on the beach 7 days per week.
- d. The SCWA may interchange water between Saltaire and its other districts to the east and west of Saltaire.
- e. Fund and implement Initial and Ongoing Capital Improvements

5. WHAT ARE THE CAPITAL IMPROVEMENT OBLIGATIONS OF THE SCWA UNDER THE AGREEMENT?

- a. Capital Improvements are defined to be system improvements that are beyond the scope of performing the routine and repetitive work of operating a water system, and which shall include equipment placed into the Village’s system or used to operate the Village system with a material value greater than Two Thousand Five Hundred Dollars (\$2,500.00) per item and with a life expectancy of more than five (5) years.

b. The SCWA is obligated to make an agreed-upon a set of initial Capital Improvements, as identified below:

Cut in Meter Vaults on all Services	438	\$1,600.00	\$700,800.00
Retrofit SCADA at 2 Well Houses	2	\$30,000.00	\$60,000.00
Retrofit Ph/Cl2 Analyzers at 2 Well Houses	2	\$20,000.00	\$40,000.00
Total Capital Improvement Costs			\$800,800.00

- c. Individual Water Meters are highly recommended for older public water systems, and are required for new public water systems; and are the best water conservation method due to leak identification. All meters remain the sole property of the SCWA, and will be maintained by and at the expense of the SCWA for ordinary wear and tear. The customer may be held liable for any damage to the meter due to any unauthorized tampering of or interaction with any part of the metering device, including the meter, valves, backflow preventers, and interconnections.
- d. After the new meters are installed and operational, they will be remotely read and monitored on a 24/7/365 basis. Using this technology, abnormal usage and leaks can be detected and quickly addressed.
- e. The SCWA is **obligated** to make any other future capital improvements during the course of the lease **that are necessary to assure that all existing and future water services are delivered potable water that meets all of the required federal, state and district standards for the duration of the lease.**
- f. The SCWA is obligated to maintain two operating wells inside of the Village of Saltaire.
- g. The SCWA may, unilaterally or at the request of the Village, proactively make other capital improvements for the betterment of the Saltaire System.

6. WHO PAYS FOR THE CAPITAL IMPROVEMENTS?

- a. The SCWA will initially fund all Capital Improvements without surcharge to the Village during the operating term of the Lease.
- b. The Village would only be responsible for a proportional repayment of any Capital Improvements if the Village chooses to terminate the lease, or if the lease is not renewed at the end of the initial 40 year term. In either case, the Village will have to repay to the SCWA the undepreciated cost of any Capital at an amount equal to the cost of the improvement minus the depreciated value of the improvement based on a 30 year life. After 30-years the Capital Improvement is fully depreciated and cannot be surcharged back to the Village.

7. WHO CHARGES THE RESIDENTS FOR THE USE OF WATER UNDER THE AGREEMENT, AND AT WHAT RATES?

- a. For the first year of the Agreement (June 1, 2026 to May 31, 2027), the Village will charge Village residents for water usage via a flat rate as traditionally done through inclusion on the 2026 Village Tax Bill. The Water District Rate will be determined by the Village during the Budget Approval Process, but it is anticipated that the 2026 rate will not exceed and may be less than the 2025 rate. The Village will pay SCWA a flat fee of \$268,433.61 for the services it provides to the Village for June 1, 2026 to May 31, 2027.
- b. Each year thereafter, the SCWA will directly bill each customer quarterly for its water usage based on a combination of flat fees and an approved water consumption rate that will be measured by meters that are anticipated to be installed by May 31, 2027.
- c. The SCWA Rate Fees as of 6/1/26, which covers all classes of users (residential, commercial, municipal), and which are subject to periodic increase by the SCWA Board, are:
 - i. Annual Flat Charge \$296.41
 - ii. Water Quality Charge \$80.00
 - iii. Rate Charge \$3.58 per 1,000 Gallons
 - iv. All rate charges can be found at <https://www.scwa.com/water-customers/billing/rates/>, and schedule of fees can be found at: <https://www.scwa.com/water-customers/billing/schedule-of-fees/>.

- d. Once the meters are installed and operational, Saltaire water customers will be billed quarterly, and will have access to SCWA's online and automatic payment platform.
- e. Over the last 10 year period, the SCWA water rates have increased a total of 49% (an approximately 4% annual increase over that time span), while during the same time period, the Village's water rates have increased 63% (an approximately 5% annual increase over that time span).
- f. It is estimated that, on average, the total annual metered water bill will be \$580.00, versus the \$670.00 charged by the Village in 2025. However, the specific water bill for any residence will be based on its actual use as measured by the water meter, so actual results will vary up or down from that estimated average.
- g. The water customer has the option of paying a fee to SCWA to turn their water on and off each season at the meter, or they or their plumber can turn the water on and off at the domestic service line valve as has been traditionally done in the past.
- h. The Village Government will have to annually pay SCWA for its own water consumption, as well as rental usage of the Fire Hydrants.
- i. The Village Government will be responsible to pay SCWA for any water usage bill from a private resident that has become non-collectable for over one year, which the Village then in turn would surcharge the private residence for the delinquent amount plus a fine prescribed by Village Code through its tax collection authority.

8. WHAT WILL BE THE VILLAGE GOVERNMENT CONSUMPTION AND SERVICE FEES?

- a. The Village will pay the same consumption rates as private rate payers.
(Estimated at \$15,000 annually in total for all Village Government connections)
- b. Annual maintenance fee of \$180.32 per hydrant for 62 of the hydrants in Saltaire (approx. \$11,160 annually)

9. WHAT WILL HAPPEN IF THE VILLAGE TERMINATES THE CONTRACT?

- a. Termination can occur by:
 - i. Village Opt-out at any Time
 - ii. Non-Renewal after 40 Years.

- b. At the time of termination, the Village shall have the right to purchase all capital improvements made by SCWA that have not already been fully depreciated (i.e. less than 30 years of service), for the pro-rated amount left undepreciated on a straight-line 30 year schedule.
 - Example: \$1,000,000 capital improvement put in service 1/1/2027
 - Village Opts-out in 12/31/2040
 - Undepreciated value: $17/30 = 56.7\%$
 - Buyback Value= $\$1,000,000 \times .567 = \$567,000.00$

- c. If the Village does not exercise its rights to purchase the undepreciated value of all of the capital improvements, then the SCWA shall have the right to purchase the ENTIRE water system of the Village at the following values:
 - The undepreciated value of the capital improvements made by the Village within 30 years of the termination date, for the pro-rated amount left undepreciated on a straight-line 30 year schedule. (Same example as above.)
 - Market Value of the Land and Easement-Rights under the water infrastructure.
 - In this case, the SCWA will have to continue to provide water to the Village pursuant to its charter and all relevant regulations.